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**CAPINFO COMPANY LIMITED\***  
**首都信息發展股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1075)**

**CONTINUING CONNECTED TRANSACTIONS**  
**THE LEASE AGREEMENTS IN RESPECT OF OFFICE PREMISES**

On 21 January 2019, the Company entered into the Lease Agreement I with BICD, pursuant to which the Company agreed to lease the Office Premises I from BICD. On the same date, Capinfo Cloud Technology, a subsidiary of the Company, entered into the Lease Agreement II with BICD, pursuant to which Capinfo Cloud Technology agreed to lease the Office Premises II from BICD.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, BSAM, being the controlling shareholder, is interested in approximately 63.31% of the issued share capital of the Company and is therefore a connected person of the Company under the Listing Rules. As BICD is a wholly-owned subsidiary of BSAM, BICD is a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the transactions under the Lease Agreement I and the Lease Agreement II are of similar nature, the transactions contemplated thereunder shall be aggregated for the purpose of computing the relevant percentage ratios pursuant to the Listing Rules. As all the applicable percentage ratios on an aggregated basis in respect of the transactions contemplated under the Lease Agreements are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

**BACKGROUND**

On 21 January 2019, the Company entered into the Lease Agreement I with BICD, pursuant to which the Company agreed to lease the Office Premises I from BICD at a monthly rent of RMB239,082.30 (property management fees inclusive). On the same date, Capinfo Cloud Technology, a subsidiary of

\* *For identification purposes only*

the Company, entered into the Lease Agreement II with BICD, pursuant to which Capinfo Cloud Technology agreed to lease the Office Premises II from BICD at a monthly rent of RMB239,082.30 (property management fees inclusive).

## **LEASE AGREEMENT I**

Major terms of the Lease Agreement I are set forth as below:

- Date:** 21 January 2019
- Parties:**
- Landlord: BICD
  - Tenant: the Company
- Location:** Office Premises I, which has an aggregate rental area of 982.53 sq.m. and is located at units of 1201-1203, 1204A, 1204B, 1205, 1206A, 1206B, 1207, 1208A and 1208B of Quantum Sliver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC
- Term:** The Company agreed to lease the Office Premises I from BICD for a period from 1 December 2018 to 30 November 2020.
- Rent and air-conditioning fee payable to BICD:** The monthly rent is RMB239,082.30 (property management fees inclusive) and is payable by wire transfer on a quarterly basis. The rent was arrived at after arm's length negotiation between the Company and BICD, with reference to, among other things, the market rental rate of other comparable office premises in the same geographical region. The Company was also required to pay air-conditioning fee of approximately RMB40,283.73 semi-annually.

## **LEASE AGREEMENT II**

Major terms of the Lease Agreement II are set forth as below:

- Date:** 21 January 2019
- Parties:**
- Landlord: BICD
  - Tenant: Capinfo Cloud Technology, a subsidiary of the Company
- Location:** Office Premises II, which has an aggregate rental area of 982.53 sq.m. and is located at units of 1209-1214 of Quantum Sliver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC

**Term:** Capinfo Cloud Technology agreed to lease the Office Premises II from BICD for a period from 1 December 2018 to 30 November 2020.

**Rent and air-conditioning fee payable to BICD:** The monthly rent is RMB239,082.30 (property management fees inclusive) and is payable by wire transfer on a quarterly basis. The rent was arrived at after arm's length negotiation between Capinfo Cloud Technology and BICD, with reference to, among other things, the market rental rate of other comparable office premises in the same geographical region. Capinfo Cloud Technology was also required to pay air-conditioning fee of approximately RMB40,283.73 semi-annually.

### **BASIS OF DETERMINING THE ANNUAL CAPS**

The Directors propose the caps (the "**Proposed Caps**") of approximately RMB600,000.00, RMB6,500,000.00 and RMB6,000,000.00 for the rent and the related fees and expenses payable to BICD under the Lease Agreement I and the Lease Agreement II in aggregate for the one month ended 31 December 2018, the year ending 31 December 2019 and the eleven months ending 30 November 2020, respectively. Such Proposed Caps are determined based on the rent and the related fees and expenses payable under the Lease Agreements.

The historical amounts paid by the Group to BICD are as follows:

	<b>For the year ended 31 December 2016 (RMB)</b>	<b>For the year ended 31 December 2017 (RMB)</b>	<b>For the eleven months ended 30 November 2018 (RMB)</b>
Historical amount paid	4,464,616.32	4,464,616.32	4,092,564.96

Set out below are the details of the Proposed Caps:

	<b>For the one month ended 31 December 2018 (RMB)</b>	<b>For the year ending 31 December 2019 (RMB)</b>	<b>For the eleven months ending 30 November 2020 (RMB)</b>
Rent payable under the Lease Agreement I (property management fees inclusive) ( <i>note 1</i> )	239,082.30	2,868,987.60	2,629,905.30
Air-conditioning fee payable under the Lease Agreement I ( <i>note 2</i> )	6,713.95	80,567.46	73,853.51
Rent payable under the Lease Agreement II (property management fees inclusive) ( <i>note 1</i> )	239,082.30	2,868,987.60	2,629,905.30

	<b>For the one month ended 31 December 2018 (RMB)</b>	<b>For the year ending 31 December 2019 (RMB)</b>	<b>For the eleven months ending 30 November 2020 (RMB)</b>
Air-conditioning fee payable under the Lease Agreement II ( <i>note 2</i> )	6,713.95	80,567.46	73,853.51
Total	<u>491,592.50</u>	<u>5,899,110.12</u>	<u>5,407,517.62</u>
Proposed Caps	<u>600,000.00</u>	<u>6,500,000.00</u>	<u>6,000,000.00</u>

*Notes:*

1. The amount is calculated based on the monthly rent of RMB239,082.30 being multiplied by the number of months.
2. The amount is calculated based on the average monthly air-conditioning fee of approximately RMB6,713.95 being multiplied by the number of months.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO THE LEASE AGREEMENTS**

The principal business of the Company and its subsidiaries mainly comprises provision of information technology service in the PRC. The Company has leased the Office Premises since March 2003. Having taken into account (i) the relocation and renovation expenses of the Company that might be incurred by the Company for any relocation of office premises; and (ii) the terms under the Lease Agreements having been arrived at after arm's length negotiation between the Group and BICD, with reference to, among other things, the market rental rate of other comparable office premises in the same geographical region, the Board (including the independent non-executive Directors) is of the view that the terms of the Lease Agreements and the Proposed Caps are fair and reasonable and on normal commercial terms, and the entering into the Lease Agreements are in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

Mr. Cao Huaizhi, being an employee of a subsidiary of BSAM and who is a Director, had abstained from voting on the board resolutions to approve the Proposed Caps, the Lease Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the board resolutions in relation to the Proposed Caps, the Lease Agreements and the transactions contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, BSAM, being the controlling shareholder, is interested in approximately 63.31% of the issued share capital of the Company and is therefore a connected person of the Company under the Listing Rules. As BICD is a wholly-owned subsidiary of BSAM, BICD is



“BSAM”	北京市國有資產經營有限責任公司 (Beijing State-Owned Assets Management Corporation Limited*), a company established in the PRC and is wholly-owned by the Beijing Municipal Government, being the controlling shareholder of the Company
“Capinfo Cloud Technology”	Capinfo Cloud Technology Co., Ltd.* (首信雲技術有限公司), a limited company incorporated under the laws of the PRC
“Company”	首都信息發展股份有限公司 (Capinfo Company Limited*), a joint stock limited company established in the PRC, the overseas listed foreign share(s) of RMB0.10 each in the share capital of the Company are listed on the Main Board of the Stock Exchange (Stock code: 1075)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Shareholders”	Shareholders other than Shareholders who have material interest in the Lease Agreements and the transactions contemplated thereunder
“Independent Third Parties”	independent third parties independent of the Company and the connected persons of the Company
“Lease Agreements”	collectively, the Lease Agreement I and the Lease Agreement II
“Lease Agreement I”	the lease agreement dated 21 January 2019 entered into between the Company and BICD in respect of the lease of the Office Premises I
“Lease Agreement II”	the lease agreement dated 21 January 2019 entered into between Capinfo Cloud Technology and BICD in respect of the lease of the Office Premises II
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Office Premises”	collectively, the Office Premises I and the Office Premises II

“Office Premises I”	the office premises located at units of 1201-1203, 1204A, 1204B, 1205, 1206A, 1206B, 1207, 1208A and 1208B of Quantum Sliver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC
“Office Premises II”	the office premises located at units of 1209-1214 of Quantum Sliver Plaza, 23 Zhichun Road, Haidian District, Beijing, the PRC
“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary share(s) of RMB0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

\* *The English name is a translation of its Chinese name and is included for identification purposes only.*

By Order of the Board  
**CAPINFO COMPANY LIMITED\***  
**LIN Yankun**  
*Chairman*

Beijing, the People’s Republic of China, 21 January 2019

*As of the date of this announcement, the executive directors of the Company are Ms. Lin Yankun, Mr. Yu Donghui and Mr. Zong Zhaoxing; the non-executive directors of the Company are Mr. Zhou Weihua, Mr. Shan Yuhu, Mr. Cao Huaizhi, Mr. Ma Linxiang and Mr. Feng Jianxun; and the independent non-executive directors of the Company are Mr. Gong Zhiqiang, Mr. Cheung, Wai Hung Boswell, Mr. Li He and Mr. Yang Xiaohui.*